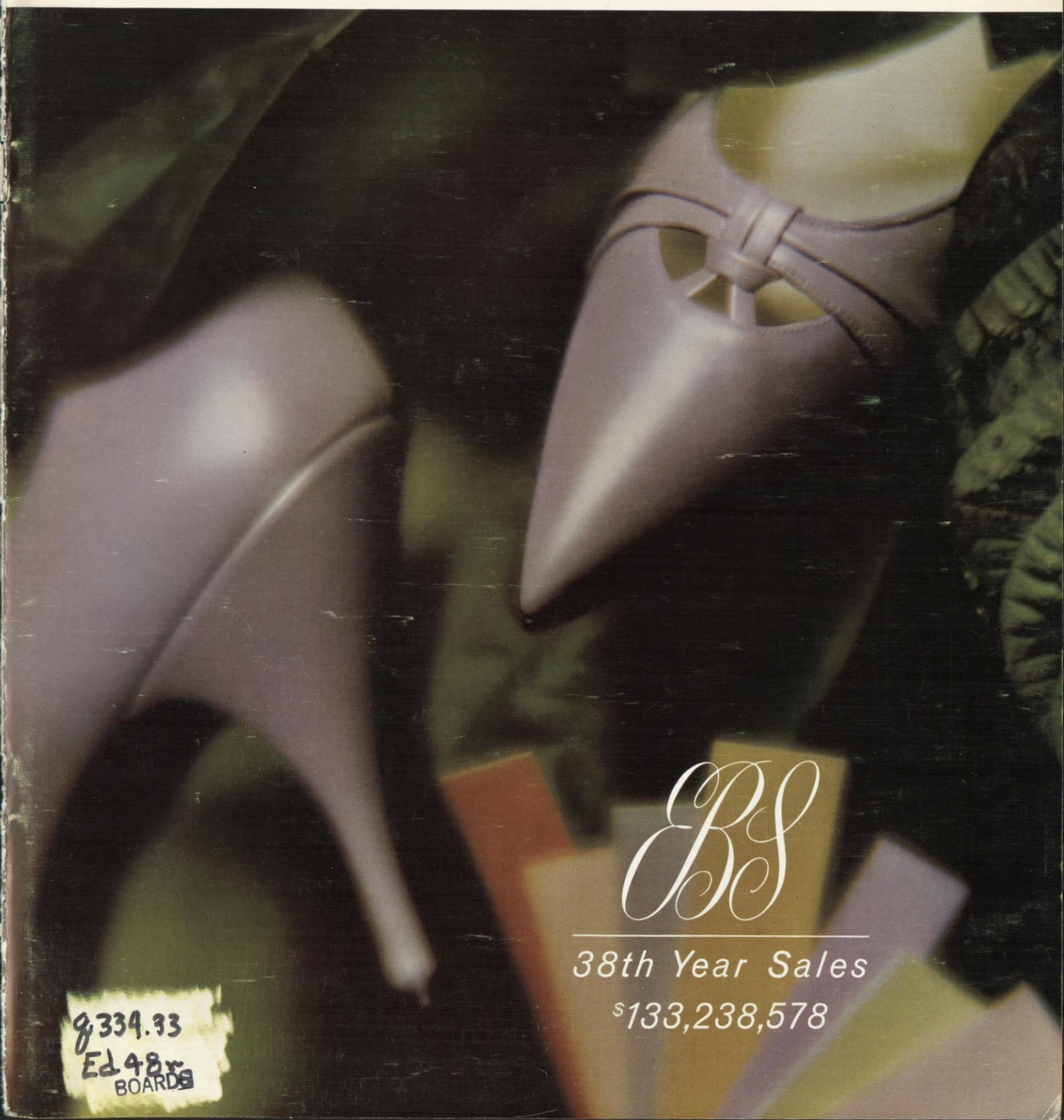


EDISON BROTHERS STORES INC.

1960 Annual Report



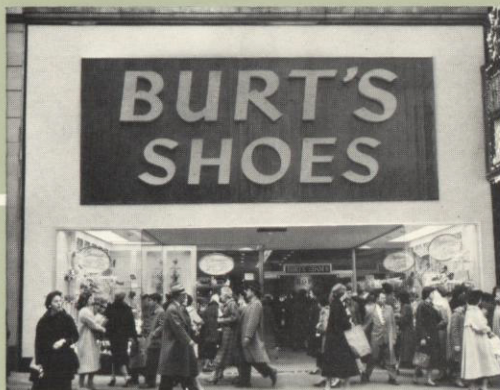
ES

38th Year Sales

\$133,238,578

8334.33
Ed 48r
BOARD

BS



Largest

exclusive

retailer

of women's

shoes

in America

EDISON BROTHERS STORES INC.

operating

Chandler's

Baker's

Leed's

Burt's

404 SHOE STORES / 1960 NET SALES \$133,238,578

THE YEAR IN BRIEF

	1960	1959
Net sales.....	\$133,238,578	\$124,087,292
Net income from operations.....	4,623,357	4,359,147
Nonrecurring net income.....	206,980	427,282
Total net income.....	4,830,337	4,786,429
Total cash dividends paid.....	2,057,359	1,787,550
Value of 5% stock dividends capitalized.....	2,772,105	2,405,630
Based upon 931,797 and 882,788 common shares for 1960 and 1959 respectively, outstanding before adding the 5% stock dividends.		
Total taxes per share.....	\$6.02	\$5.78
Net income from operations per share.....	4.75	4.71
Total net income per share.....	4.97	5.19
Common stock dividends per share.....	2.00	1.80
Working capital.....	\$ 30,668,643	\$ 30,230,343
Long term loans and mortgages.....	12,207,644	12,811,225
Preferred stock.....	4,635,700	4,694,200
Common stock equity.....	29,819,619	26,928,642
Number of stockholders.....	4,080	3,918
Number of employees (seasonal average)....	7,000	6,500

ANNUAL MEETING of stockholders will be held in the office of the company on April 24, 1961. A notice of the meeting with a proxy statement will be mailed to holders of common stock on or about April 7, 1961 at which time proxies will be requested by the management.

TRANSFER AGENT: Bankers Trust Company, New York City

REGISTRAR: The Chase Manhattan Bank, New York City

ANNUAL MESSAGE

To the Stockholders:

1960 was another year of record sales, earnings, and expansion for your company, the largest in our thirty-eight year history. Net earnings reached \$4,830,337, equal to \$4.97 per share on the common stock. This included \$206,980 from nonrecurring income resulting from the sale of real estate and securities.

This operating result prompted your board of directors to declare a 5% stock dividend upon common stock for the second consecutive year. Cash quarterly dividends have been paid regularly since 1934.

Fifty-one new stores were opened in 1960. These included nine leased women's shoe departments. The newly established units are expected to contribute materially to our future results. 1961 expansion will continue at approximately the same rate, embracing all categories of our operation.

Your company's position with the consumer public continues strong. Its long established exclusive brands enjoy a high level of acceptance as detailed more fully in the following pages.

Retail sales have been generally affected by the downturn of the economy which began in the latter

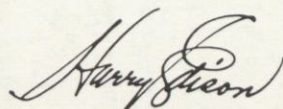
half of 1960 and by seriously inclement weather in many areas.

The decade ahead with the growing economic and population levels will present opportunities and challenges which we feel your company is in strong position to meet.

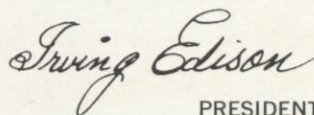
The leadership which your company has attained as the largest and foremost exclusive ladies' shoe retailer in America is generally recognized. We will strive to maintain this position.

On December 20, 1960, the board of directors elected Mr. Simon Edison vice chairman of the board. He continues to hold the office of executive vice president. Messrs. Louis Liebson, Roy W. Oscarson, and Irving Halle were elected executive vice presidents. Messrs. David Alton, Maurice Artstein, Theodore L. Casey, and Wallace R. Clark were elected vice presidents. Mr. Robert J. Harper, regional manager, was elected assistant vice president.

We wish to express our appreciation to all of our employees and executives who made our fine result for the year possible. To our manufacturers and suppliers who for so many years have been an integral part of our organization, we are deeply appreciative.



CHAIRMAN AND TREASURER



PRESIDENT

St. Louis, Missouri, March 2, 1961



Consolidated Statements of Financial Position
as at December 31, 1960 and 1959

	1960	1959
WORKING CAPITAL		
Current Assets:		
Cash	\$11,748,462	\$10,556,383
Marketable securities—At cost (quoted market value \$5,675,482):		
U. S. Government	5,300,773	7,476,011
Other	191,828	825,934
Life insurance proceeds receivable		500,000
Notes and other receivables	619,239	492,050
Merchandise inventories—At the lower of cost or market	19,982,294	17,567,069
Total Current Assets	<u>37,842,596</u>	<u>37,417,447</u>
Current Liabilities:		
Current installments of long-term loans	603,581	603,176
Accounts payable and accrued expenses	3,296,816	3,190,572
Taxes collected or withheld	1,369,073	1,286,740
Estimated Federal income taxes, less U. S. Treasury tax anticipation securities of \$1,490,517 in 1960 and \$1,478,384 in 1959—Note A	1,904,483	2,106,616
Total Current Liabilities	<u>7,173,953</u>	<u>7,187,104</u>
Working Capital	<u>30,668,643</u>	<u>30,230,343</u>
OTHER ASSETS		
Miscellaneous Receivables and Investments	130,240	125,607
Fixed Assets—At cost less accumulated depreciation and amortization—Note B	15,335,999	13,579,474
Deferred Charges	528,081	498,643
Total Assets Less Current Liabilities	<u>\$46,662,963</u>	<u>\$44,434,067</u>
DERIVED FROM		
Long-Term Loans—Note C.	\$12,207,644	\$12,811,225
Stockholders' Equity:		
4¼% Cumulative Preferred Stock, par value \$100— Authorized 65,000 shares; outstanding 46,357 shares—Note D	4,635,700	4,694,200
Common Stock, par value \$1— Authorized 1,200,000 shares; outstanding 978,387 shares (including shares issued as stock dividends)— Notes E and F	978,387	926,928
Capital in excess of par value—Note F	7,117,159	4,279,775
Retained earnings—Notes F and G	21,189,306	21,188,433
Earnings reserved for limited uninsured risks	534,767	533,506
Common Stockholders' Equity	<u>29,819,619</u>	<u>26,928,642</u>
	<u>\$46,662,963</u>	<u>\$44,434,067</u>

The Notes to Financial Statements are an integral part of these statements

AND SUBSIDIARY COMPANIES

Consolidated Statements of Income and Retained Earnings for the Years Ended December 31, 1960 and 1959

	1960	1959
Net Sales	\$133,238,578	\$124,087,292
Cost of goods sold, store operating and administrative expenses.	122,054,359	113,436,942
Depreciation and amortization of operating properties. . . .	2,006,240	1,831,656
Contributions to employee pension and insurance trusts . .	382,640	359,361
Interest on long-term loans	594,560	489,651
Interest income	(330,520)	(222,525)
Other deductions, net	117,270	115,880
	<u>124,824,549</u>	<u>116,010,965</u>
Net income before Federal income taxes.	8,414,029	8,076,327
Provision for Federal income taxes, less \$68,993 allocated to special item in 1960—Note A	3,790,672	3,717,180
Net income	<u>4,623,357</u>	<u>4,359,147</u>
Special items:		
Gain on sale of marketable securities \$177,059 and real estate \$29,921, net of Federal income taxes.	206,980	
Life insurance proceeds, net.		427,282
Net income and special items	<u>4,830,337</u>	<u>4,786,429</u>
Retained earnings at beginning of year	21,188,433	20,595,184
	<u>26,018,770</u>	<u>25,381,613</u>
Dividends:		
Preferred stock—cash	198,707	205,315
Common stock:		
Cash	1,858,652	1,582,235
Common stock—Note F	2,772,105	2,405,630
	<u>4,829,464</u>	<u>4,193,180</u>
Retained earnings at end of year—Note G	<u>\$ 21,189,306</u>	<u>\$ 21,188,433</u>

STATEMENT OF CAPITAL IN EXCESS OF PAR VALUE

Balance at beginning of year.	\$ 4,279,775	\$ 1,711,491
Excess of:		
Market value over par value of common stock issued as a dividend—Note F.	2,725,515	2,361,490
Purchase price over par value of common stock issued under stock option plan	103,557	176,420
Par value over cost of preferred stock purchased	8,312	30,374
Balance at end of year	<u>\$ 7,117,159</u>	<u>\$ 4,279,775</u>

and should be read in conjunction herewith.

Notes to Financial Statements as at December 31, 1960

The consolidated financial statements as at and for the year ended December 31, 1959 are included for comparative purposes only. Reference is made to the previously issued report for the notes applicable thereto.

A The accompanying statements are subject to final determination of Federal income taxes.

B Fixed assets are comprised of the following:

Land and buildings (\$910,090 pledged to secure mortgage notes).....	\$ 1,351,931
Improvements to leased premises.....	13,522,834
Fixtures and equipment.....	9,098,091
Leasehold investments.....	321,735
	<u>24,294,591</u>
Less: Accumulated depreciation and amortization.....	8,958,592
	<u>\$15,335,999</u>

C Long-term loans consist of the following:

	Maturity	Installments due in 1961	Subsequent maturities
3½% promissory note.....	1967	\$200,000	\$ 1,350,000
3¾% promissory notes.....	1967	192,000 ⁽¹⁾	2,560,000
5½% promissory notes.....	1972	200,000	2,900,000
5¼% promissory note.....	1979	⁽²⁾	5,000,000
Real estate mortgages ⁽³⁾	1966-7	11,581	397,644
		<u>\$603,581</u>	<u>\$12,207,644</u>

⁽¹⁾ Annual installments increase to \$352,000 in 1964.

⁽²⁾ Annual installments of \$150,000 commence in 1963 and increase to \$350,000 in 1968.

⁽³⁾ Real estate mortgages provide that holders thereof may not look beyond the related properties (Note B) for satisfaction in case of default.

D 4¼% Cumulative Preferred Stock is redeemable at \$104 plus accrued dividends upon call or voluntary liquidation and at \$100 plus accrued dividends upon involuntary liquidation.

The company has fulfilled sinking fund requirements for the annual redemption and cancellation of 1,300 shares of preferred stock and holds 3,043 additional shares in the treasury which may be used to meet future requirements.

E The company has a Restricted Stock Option Plan for the sale of common stock to executives and key employees at prices not less than 85% of the fair market value at the time options are granted. At December 31, 1960, after adjustment for the stock dividend declared in 1960, there were options outstanding for 28,730 shares and 1,408 shares were available for the issuance of additional options. During the year options were exercised as to 4,869 shares; granted as to 4,868 shares; and cancelled as to 252 shares.

F The accompanying financial statements reflect the issuance of 5% stock dividends which were declared in the respective fiscal years but paid subsequent thereto. The dividends of 46,590 shares in 1960 and 44,140 in 1959 were recorded at respective market values of \$59.50 and \$54.50.

G The terms of instruments relating to long-term loans and the preferred stock include certain restrictions on the payment of dividends (other than stock dividends) and the acquisition of capital stock of the company. Retained earnings of \$6,253,355 were free of such restrictions at December 31, 1960. These restrictions will not prohibit the payment of dividends on preferred stock provided that, after such payment, consolidated net current assets aggregate \$12,500,000.

H The companies are obligated under leases for various properties. The applicable net minimum rentals in 1960, after deducting minimum rental income from sublet premises, aggregated approximately \$5,725,000 on leases expiring after 1965. A majority of the leases provide for percentage rentals and other items as additional rent.

ACCOUNTANTS' REPORT

The Board of Directors
Edison Brothers Stores, Inc.
St. Louis, Missouri

We have examined the consolidated statement of financial position of Edison Brothers Stores, Inc. and subsidiary companies as at December 31, 1960 and the related consolidated statements of income and retained earnings and capital in excess of par value for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated statement of financial position and consolidated statements of income and retained earnings and capital in excess of par value, together with the notes to financial statements, present fairly the consolidated financial position of Edison Brothers Stores, Inc. and subsidiary companies at December 31, 1960, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

S. D. LEIDESDORF & CO.

St. Louis, Missouri
February 24, 1961

**38 YEAR**

Year	Stores At End Of Year	Net Sales	Taxes Paid and Accrued	Net Earnings ⁽³⁾	Preferred Dividends Paid	Common Stock Dividends Paid	Earnings Per Common Share
1960	404	\$133,238,578	\$5,604,956	\$4,830,337 ⁽⁴⁾	\$198,707	\$1,858,652	\$4.97
1959	357	124,087,292	5,105,407	4,786,429 ⁽⁴⁾	205,315	1,582,235	5.19
1958	334	109,119,591	4,176,429	3,628,128 ⁽⁴⁾	214,177	1,571,576	3.90
1957	322	99,301,660	3,550,141	2,816,941	218,883	1,393,434	2.98
1956	297	91,139,998	3,340,620	2,653,113	224,196	1,390,529	2.79
1955	267	87,204,080	3,177,114	2,530,130	229,338	1,296,465	2.65
1954	251	80,189,379	2,912,218	2,250,170	235,703	1,203,301	2.34
1953	245	81,633,641	3,115,517	2,279,072 ⁽⁴⁾	239,586	1,154,706	2.38
1952	237	80,696,187	3,150,120	2,293,509	247,934	1,022,436	2.40
1951	228	77,980,106	3,030,843	2,259,888	254,968	1,019,602	2.36
1950	220	73,778,858	2,741,408	2,727,544	262,331	1,016,514	2.91
1949	213	74,156,492	1,964,509	2,081,053	268,855	1,013,898	2.14
1948	202	75,026,770	2,198,924	2,526,307	272,903	1,264,274	2.67
1947	188	70,938,706	2,304,590	2,817,147	276,144	1,368,017	3.02
1946	180	65,670,766	2,288,188	3,182,178 ⁽⁴⁾	212,500	1,471,125	3.53

COMMON STOCK SPLIT 2 FOR 1 AND PAR VALUE CHANGED

1945	170	53,215,144	3,787,177	1,360,520	196,447	612,516	2.77
1944	169	44,542,663	2,191,803	1,091,680	150,000	461,737	2.45
1943	166	39,775,724	2,195,433	1,130,781	150,000	461,737	2.55
1942	168	45,952,208	3,238,075	1,249,024	150,000	480,976	2.86
1941	162	33,613,756	1,521,757	1,303,155	91,896	654,128	3.15
1940	142	26,481,080	643,145	1,036,589	75,000	577,172	2.50
1939	131	24,911,899	408,274	885,540	75,000	479,686	2.11
1938	123	24,205,239	397,538	905,446	75,000	479,764	2.16
1937	121	23,764,677	349,354	701,070	49,932	382,074	1.70

COMMON STOCK SPLIT 3 FOR 1 AND CHANGED FROM NO PAR

1936	102	19,689,865	292,614	772,344	31,428	358,693	5.85
1935	92	16,295,595	150,217	585,703	43,372	150,884	5.01
1934	85	14,125,387	136,285	543,490	55,195	80,310	4.56
1933 ⁽²⁾	75	10,189,048	126,579	446,603	47,593	—	3.75
1932	63	8,017,960	26,412	84,688	37,564	—	0.44
1931	50	6,423,307	31,208	39,018	51,905	40,754	—
1930	42	4,912,247	40,458	169,243	52,500	95,278	1.07
1929 ⁽¹⁾	34	3,778,460	42,515	238,310	36,496	52,010	1.85
1928	17	3,157,115	36,493	215,134			
1927	11	2,186,477	17,059	87,063			
1926	8	1,440,785	6,262	81,046			
1925	6	878,057	881	56,796			
1924	3	548,569	225	33,362			
1923	1	282,949	176	22,907			

RECORD OF GROWTH

Dividends Per Common Share	Current Assets Less Current Liabilities	Fixed Assets (Net Investment)	Long Term Loans	Preferred Stock	Common Stock Equity ⁽⁵⁾	Common Shares Outstanding	Year
\$2.00	\$30,668,643	\$14,938,355	\$11,810,000	\$4,635,700	\$29,819,619	931,797	1960
1.80	30,230,343	13,170,249	12,402,000	4,694,200	26,928,642	882,788	1959
1.80	23,653,199	12,348,007	7,994,000	4,966,200	23,722,818	875,088	1958
1.60	22,106,747	12,412,571	8,426,000	5,087,700	21,749,211	871,383	1957
1.60	19,282,797	12,478,309	6,782,500	5,180,700	20,494,509	870,440	1956
1.50	20,253,169	11,074,449	7,214,500	5,380,700	19,395,332	867,448	1955
1.40	19,793,536	10,910,906	7,643,500	5,424,200	18,289,695	861,768	1954
1.35	17,872,226	10,671,315	6,070,500	5,610,200	17,379,104	857,692	1953
1.20	18,006,559	10,119,278	6,398,500	5,781,000	16,410,846	853,362	1952
1.20	16,178,173	9,216,505	4,628,500	5,980,000	15,297,440	850,935	1951
1.20	15,879,700	8,864,109	4,856,500	6,034,000	14,247,142	848,446	1950
1.20	13,434,872	8,489,849	3,331,500	6,248,000	12,722,858	846,197	1949
1.50	13,934,348	7,499,128	3,554,500	6,342,000	11,848,767	843,247	1948
1.62½	13,214,757	5,574,597	1,971,000	6,485,000	10,779,692	842,304	1947
1.75	12,013,034	3,949,451	2,052,500	5,000,000	9,535,858	841,168	1946
FROM \$2 TO \$1 PER SHARE AS OF JANUARY 28, 1946							
1.50	11,866,853	2,955,431	2,146,000	5,000,000	7,992,403	420,059	1945
1.20	8,585,950	2,207,712	1,942,000	3,000,000	6,579,469	384,781	1944
1.20	6,155,092	2,349,557	—	3,000,000	6,070,245	384,781	1943
1.25	5,788,493	2,366,407	—	3,000,000	5,533,801	384,781	1942
1.70	5,355,032	2,394,720	—	3,000,000	4,886,248	384,781	1941
1.50	3,705,772	2,035,473	—	1,500,000	4,383,998	384,781	1940
1.25	3,447,805	1,873,355	—	1,500,000	3,963,176	383,731	1939
1.25	3,272,318	1,689,572	—	1,500,000	3,609,341	383,761	1938
1.00	2,745,997	1,804,050	—	1,500,000	3,245,491	383,904	1937
VALUE TO \$2 PAR VALUE PER SHARE AS OF MARCH 1, 1937							
3.00	1,684,128	1,167,356	—	—	2,974,298	126,748	1936
1.40	1,590,074	898,809	—	617,100	1,956,493	108,235	1935
0.75	1,242,000	810,301	—	619,600	1,521,362	107,080	1934
—	1,020,772	663,800	—	655,100	1,095,177	106,435	1933
—	743,947	568,334	—	715,500	659,028	106,635	1932
0.37½	759,208	515,985	—	734,000	600,133	106,640	1931
0.87½	871,043	500,683	—	749,000	685,382	108,785	1930
0.50	922,979	430,963	—	750,000	666,687	108,995	1929

NOTES:

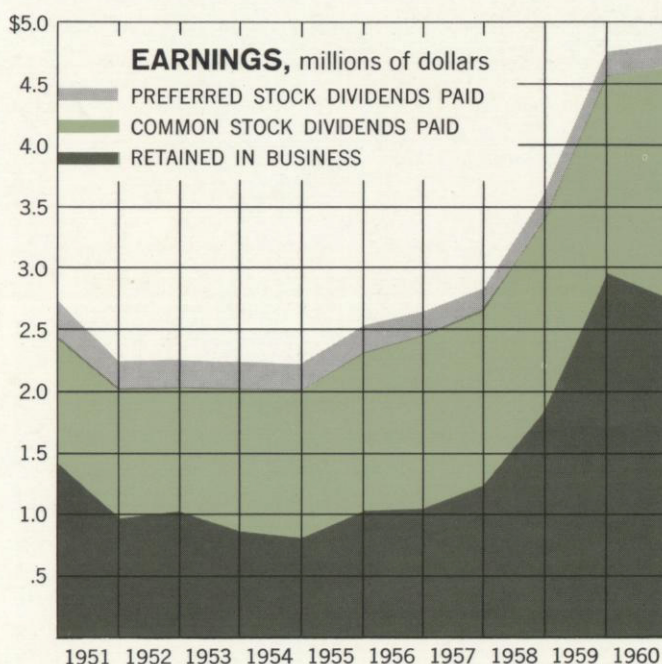
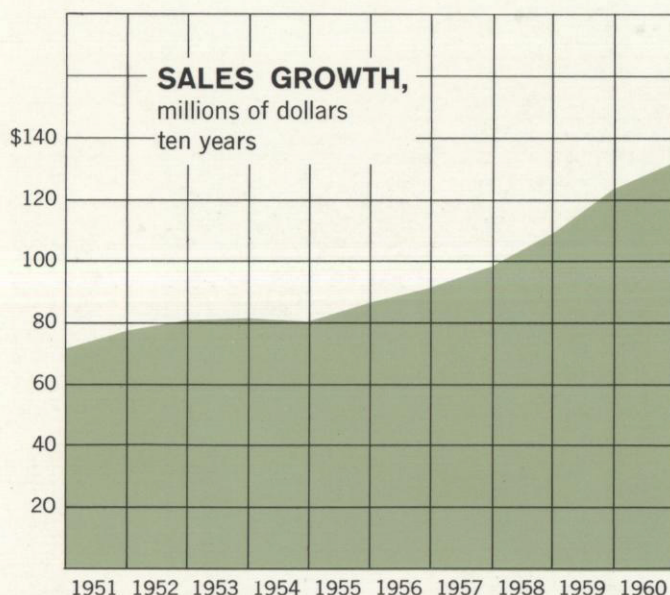
(1) Change from calendar year to fiscal ended January 31 resulted in 1929 including 13 months of operations.

(2) Change from fiscal year ended January 31 to calendar year resulted in 1933 including 11 months of operations.

(3) Net earnings were appropriately changed to give effect to adjustments applicable to prior periods.

(4) Includes nonrecurring income.

(5) Common stock equity at the end of each year includes the Reserve for Uninsured Risks and net additions or deductions for capital changes based upon net proceeds and cash payments.



RECORD SALES AND EARNINGS

Net sales for 1960 amounted to a record total of \$133,238,578. This was an increase of \$9,151,286 or 7.38% over the 1959 volume of \$124,087,292. The 1960 average sales of \$360,650 per store was again the highest in the industry by a substantial margin.

Net income from operations for the year amounted to \$4,623,357. This compares with \$4,359,147 for 1959. Securities and real estate sold produced an additional net income of \$206,980 after deducting the federal capital gains tax, making a total net income of \$4,830,337 for the year. The total net income for 1959 was \$4,786,429 with \$427,282 of non-recurring income included.

Based upon 931,797 common shares outstanding before adding the 5% stock dividend, the 1960 net income from operations amounted to \$4.75 per share. The nonrecurring net income amounts to 22¢ per share making a total of \$4.97 for the year. The 1959 net income from operations was \$4.71 per share on 882,788 shares then outstanding. The nonrecurring net income was 48¢ per share for 1959 when the total net income was \$5.19 per share.

CASH AND STOCK DIVIDENDS

The 5% stock dividend on common stock declared in December was distributed on January 25, 1961 to holders of record December 31, 1960. It resulted in 46,590 additional shares outstanding and a transfer of \$2,772,105 from retained earnings account to capital accounts. This amount represents \$59.50 per share which was the adjusted market price at the time the stock dividend was declared.

Cash dividends on common stock of \$2.00 per share, 50¢ quarterly, were paid during 1960 on the increased number of shares outstanding. These dividends amounted to \$1,858,652 as compared with \$1,582,235 for 1959 when the quarterly rate was 45¢ per share on the number of shares then outstanding.

Total cash dividends on common and preferred shares amounted to \$2,057,359 in 1960 as compared with \$1,787,550 in 1959.

FINANCIAL POSITION

Cash and securities at the year end amounted to \$18,731,580. This includes \$1,490,517 of federal tax anticipation securities which are offset against the liability for federal income taxes.

Inventories at the close of the year amounted to \$19,982,294. The increase of \$2,415,225 is in line with expansion and increased sales volume.

Working capital of \$30,668,643 reflects a continued strong financial position. This compares with \$30,230,343 as of December 31, 1959.

Cash outlays in 1960 amounted to \$3,762,765 for leasehold improvements, fixtures and equipment. Of this amount \$2,006,240 was provided from amortization and depreciation charged against operations.

OPERATING COSTS

Operating costs as a percentage of sales were somewhat higher. The opening of a larger number of stores during 1960 was a factor. Because of such opening costs, new stores normally do not show a profit the first year of operation.

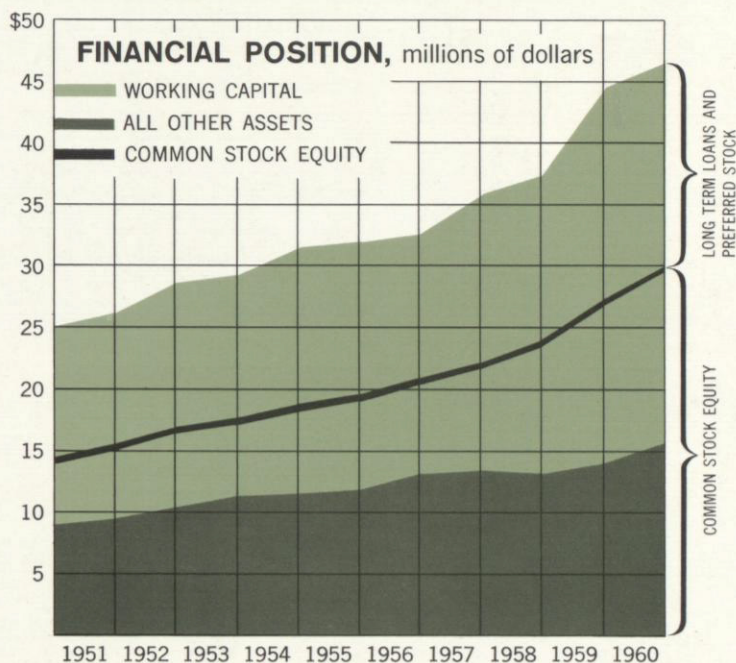
Total salaries and wages in 1960 amounted to \$24,799,178 as compared with \$22,312,167 for 1959. Contributions into the employees' pension and group insurance funds amounted to \$382,640 as compared with \$359,361 for 1959. The pension fund now exceeds \$5,000,000. The entire cost of the pension plan is borne by the company.

ELECTRONIC COMPUTER DEVELOPMENTS

After several years of experimentation and gradually expanding upon the application of electronic equipment for producing merchandising and accounting records, a new Univac Solid State Computer System was installed during 1960. This equipment is capable of processing data at a phenomenally high speed.

This new mechanization absorbs the increasing volume of record data due to the company's expansion and the additional programs assigned to it.

Additional applications are constantly studied and adopted as they are found economically feasible and practical. This program plays an increasingly important part in our operations.



51 STORES OPENED IN 1960

AMARILLO

Baker's, Sunset Center

AUSTIN

Baker's, Capital Plaza

BATON ROUGE

Baker's, Bon Marche Center

BAYAMON, PUERTO RICO

Baker's, Santa Rosa Plaza

CEDAR RAPIDS

Baker's, Lindale Plaza

CHICAGO

Baker's, Golf-Mill Center

Baker's, Winston Plaza

Burt's, Downtown

CINCINNATI

Baker's, Tri-County Center

Chandler's, Tri-County Center

CLEVELAND

Baker's, University Heights

Chandler's, Parmatown Center

DENVER

Baker's, Westland Center

DES MOINES

Baker's, Bettendorf Center

DETROIT

Baker's Taylor Town Center

Baker's, Tech Plaza Center

EATONTOWN, N. J.

Chandler's, Monmouth Center

FRESNO

Burt's, Manchester Center

FT. LAUDERDALE

Burdine's, Downtown

HARRISBURG

Baker's, Colonial Park Center

MIAMI

Burdine's 3rd Floor, Downtown

Burdine's 2nd Floor, Downtown

Baker's, Northside Center

MIAMI BEACH

Burdine's, Downtown

MILFORD, CONN.

Baker's, Connecticut Post Center

MILWAUKEE

Schuster's, Third Street

Schuster's, Mitchell Street

MINNEAPOLIS

Baker's, Downtown

Burt's, Southtown Center

MOBILE

Baker's, Springdale Plaza

NEW ORLEANS

Baker's, Lakeside Center

NEW YORK

Baker's, Jackson Heights

NORTH MIAMI BEACH

Burdine's, 163rd Street Center

OKLAHOMA CITY

Baker's, Penn Square

OMAHA

Brandeis, Crossroads Center

Baker's, Crossroads Center

PADUCAH

Baker's, Downtown

PHILADELPHIA

Chandler's, Wynnwood Center

PHOENIX

Baker's, Tower Plaza

PORTLAND

Leed's, Eastport Plaza

Leed's, Lloyd Center

Chandler's, Lloyd Center

SACRAMENTO

Leed's, Southgate Center

SAN DIEGO

Leed's, College Grove Center

SEATTLE

Leed's, Renton Center

ST. LOUIS

Burt's, Town & Country Center

WASHINGTON, D. C.

Baker's, Wheaton Plaza

Chandler's, Wheaton Plaza

WEST PALM BEACH, FLA.

Burdine's, Downtown

WHITE PLAINS, N. Y.

Baker's, Downtown

WICHITA

Baker's, Eastgate Center



STORE EXPANSION PLANS FOR 1961

Approximately fifty new stores are on the drawing boards and scheduled to open in 1961. Many additional leases have been signed or are in the process of negotiation.

Significant advances have been made in opening our stores in new market areas. The areas in which we are opening stores for the first time are:

Abilene, Tex.	Daytona Beach, Fla.
Albuquerque, N. M.	El Paso, Tex.
Amarillo, Tex.	Gainesville, Fla.
Ann Arbor, Mich.	Huntsville, Ala.
Boston, Mass.	Ponce, Puerto Rico
Camden, N. J.	St. Petersburg, Fla.

In addition, during 1961 your company plans to open new stores in the following communities in which we are already established:

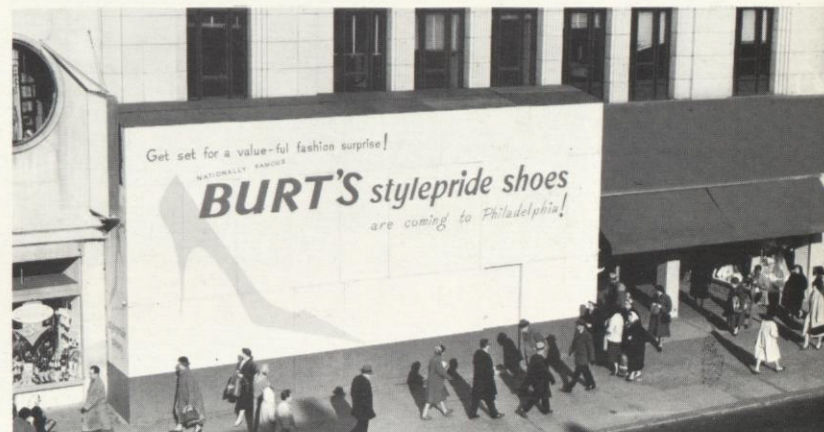
Atlanta, Ga.	Memphis, Tenn.
Birmingham, Ala.	Miami, Fla.
Chicago, Ill.	Minneapolis, Minn.
Dallas, Tex.	New Orleans, La.
Dayton, Ohio	Norfolk, Va.
Detroit, Michigan	Philadelphia, Pa.
Flushing, N. Y.	Phoenix, Ariz.
Fort Worth, Tex.	Sacramento, Calif.
Garden City, L. I.,	St. Louis, Mo.
New York	Salt Lake City, U.
Hempstead, N. Y.	San Antonio, Tex.
Houston, Tex.	San Diego, Calif.
Kansas City, Mo.	Spokane, Wash.
Lincoln, Nebr.	Tucson, Ariz.
Los Angeles, Calif.	Tulsa, Okla.
Louisville, Ky.	



Mission Valley Shopping Center, San Diego—Chandler's and Leed's



A Baker's QualiCraft Store for Boston



Burt's Market Street, Philadelphia, under construction



LEASED DEPARTMENT DIVISION CONTINUES EXPANSION

BRANDEIS DEPT. STORES, OMAHA. Three years ago EBS opened its first leased department, the Chandler's Shoe Balcony in Omaha's largest department store, Brandeis. The gratifying success and harmonious relationship with this fine company encouraged continued progress in this field. In October, 1960, the first department was doubled in size and a second Chandler's department was opened in the new Brandeis department store in the Crossroads Shopping Center, Omaha.



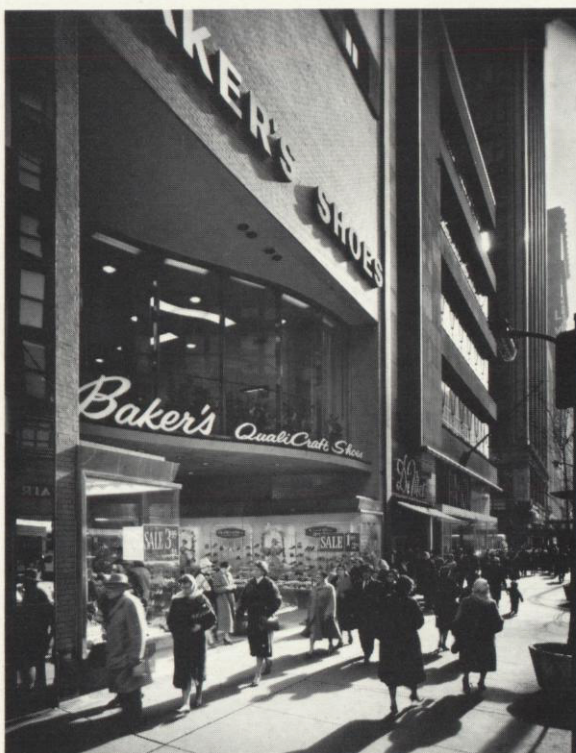
BURDINE'S DEPT. STORES, FLORIDA. In August of 1960 your Company took over the complete operation of the ladies' shoe departments of the Burdine's Division of the Federated Department Stores, Inc. There are two shoe departments in Burdine's downtown Miami store, one each in the Miami Beach store, the 163rd Street Shopping Center branch, and in the West Palm Beach and Ft. Lauderdale stores. All were completely remodeled during the fall of 1960. These departments offer a variety of fine nationally known brands in addition to our own popular fashion names.



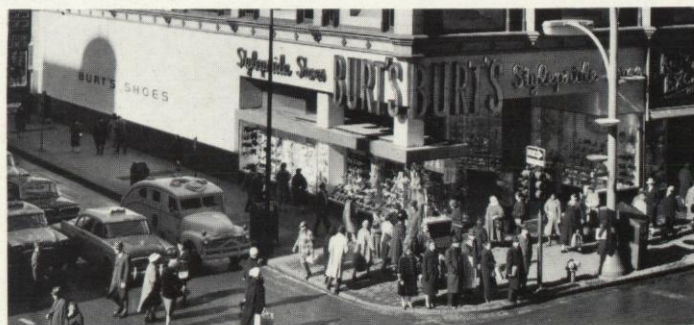
SCHUSTER'S DEPT. STORES, MILWAUKEE. A further interesting development was the opening of women's shoe departments in two of the Schuster's Department Stores in Milwaukee. Extensively remodeled during the summer, these beautiful departments offer EBS exclusive brand shoes. Their success has resulted in plans to open a third Schuster department in 1961.



MARKET AREA	SHOPPING CENTER	MAJOR DEPARTMENT STORE	MARKET AREA	SHOPPING CENTER	MAJOR DEPARTMENT STORE
Amarillo	Sunset Center	Sears; J. C. Penney	Miami	Northside Center	Sears
Atlanta	Lenox Square	Rich's; Davison's		163rd Street Center	Burdine's; Richard's
Austin	Capital Plaza	Montgomery-Ward	Milwaukee	Bayshore	Gimbels
Baltimore	Easpoint	Hutzler's; Hochschild-Kohn		Capitol Court	Schuster's; Chapman's
	Westview	Hutzler's		Mayfair	Marshall Field & Co.
Baton Rouge	Bon Marche	D. H. Holmes;			Gimbels
		Montgomery-Ward	Minneapolis	Southdale	Donaldson's; Dayton Co.
San Juan, P. R.	Santa Rosa Plaza	Belk's		Southtown	Montgomery-Ward
Beaumont	Gateway Center	White House	Mobile	Springdale Plaza	Gayfer's
Cedar Rapids	Lindale Plaza	Yunker's; Sears	Montgomery	Normandale	Love man's
		Killian's	New Orleans	Crescent Airline	Maison Blanche
Chicago	Evergreen Park	The Fair		Lakeside	D. H. Holmes
		Carson Pirie Scott		West Side Center	Maison Blanche
	Golf-Mill	Sears	New York	Bergen Mall	Stern's
	Old Orchard	Marshall Field & Co.; Fair		Cross Country	Wanamaker's; Gimbels
	Winston Plaza	J. C. Penney		Garden State Plaza	Bamberger; Gimbels
Cincinnati	Tri-County	Schillito's; Pogue		Green Acres	Gimbels
	Swifton	Rollman's		Mid-Island Plaza	Gertz Company
Cleveland	Parmatown	The May Company		Miracle Mile	B. Altman & Co.
	Southland	Halle Brothers		Roosevelt Field	R. H. Macy
	University Heights	The May Company	Oakland	Bay Fair	R. H. Macy
	Westgate	Halle Brothers		El Cerrito Plaza	Capwell's
Dallas	Lochwood Village	The Fair	Oklahoma City	Penn Square	Brown's; Montgomery-Ward
	Oak Cliff	A. Harris & Co.	Omaha	The Center	Yunker's
Denver	Lakeside	Denver Dry Goods		Crossroads	Brandeis; Sears
		Montgomery-Ward	Pasadena	Hastings Ranch	Sears
	University Hills	The May Company	Pensacola	Town & Country Plaza	Gayfer's
	Westland	The May Company	Peoria	Sheridan Village	Bergner's
Des Moines	Bettendorf	Yunker's	Philadelphia	Upper Darby	Gimbels; Lit Brothers
	Merle Hay Plaza	Yunker's; Sears		Wynnewood	Wanamaker's
Detroit	Eastland	J. L. Hudson Co.	Phoenix	Park Central	Goldwater's; Diamonds
	Northland	J. L. Hudson Co.		Tower Plaza	J. C. Penney
	Seven Grand	Federal	Portland	Eastport Plaza	Lipman-Wolf
	St. Clair Shores	Federal		Gateway	Olds & King
	Taylor Town	Sam's Department Store		Lloyd Center	Meyer & Frank Co.
	Tech Plaza	J. C. Penney	Richmond	Willow Lawn	J. C. Penney
	Westborn	Crowley Milner & Co.			Miller & Rhoads
	Wonderland	Montgomery-Ward	Sacramento	Country Club	Hale's
Eatontown, N. J.	Monmouth	Bamberger's;		Southgate	Rhode's
		Montgomery-Ward	Salinas, Calif.	Valley Center	Sears; J. C. Penney
Fort Wayne	Southgate Plaza	J. C. Penney	Salt Lake City	Sugar House	J. C. Penney
Fresno	Manchester	Rhode's	San Diego	College Grove Center	Walker's
Harrisburg, Pa.	Colonial Park	Sears		South Bay Plaza	J. C. Penney
Honolulu	Ala Moana	Sears	San Francisco	Hillsdale	R. H. Macy; Sears
Houston	Gulfgate	Joske's		Stanford Center	The Emporium
Indianapolis	Eastgate	H. P. Wasson		Stonestown	The Emporium
	Glendale	Block's; L. S. Ayres		Westlake	J. C. Penney
Kansas City	Country Club	Sears; Harzfeld's	San Jose	Valley Fair	R. H. Macy
Los Angeles	B'way-Orange County	The Broadway	Seattle	Northgate	Bon Marche
	Crenshaw	The May Company		Renton	Sears
		The Broadway	St. Louis	Crestwood	Vandervoort's; Sears
	Eastland	The May Company		Northland	Famous-Barr
	Lakewood Center	The May Company		Town & Country	J. C. Penney
		The Broadway		Westroads	Stix, Baer & Fuller
	Norwalk Square	J. C. Penney	St. Paul	Midway Center	Montgomery-Ward
	Orange County Plaza	J. C. Penney; Rankin's	Tacoma	Villa Plaza	Rhodes; J. C. Penney
	Panorama City	The Broadway	Toledo	Westgate Village	Lion Store
	Riverside Plaza	Harris Brothers	Tulsa	Utica Square	Vandevors
	South Bay	The May Company	Washington, D. C.	Prince Georges Plaza	The Hecht Co.
	Valley Plaza	Sears		Seven Corners	Woodward & Lothrop
	Westchester Village	The Broadway		Wheaton Plaza	Woodward & Lothrop
Memphis	Poplar Highland Plaza	Lowenstein's			Montgomery-Ward
	Whitehaven Plaza	Lowenstein's			J. C. Penney
Miami	Biscayne Plaza	J. C. Penney	Wichita	Eastgate	



THE CHICAGO STORY. When a new location became available on State Street between Marshall Field & Co. and Carson, Pirie, Scott, a lease was signed for a new Chandler's, a "sister-store" to the popular Chandler's Fifth Avenue, New York. In August, 1960, Chandler's State Street moved to this new location. Baker's moved across the street to the former Chandler's store and a Burt's store was opened at State and Monroe streets. This dramatic realignment produced a sharp increase in volume from this great shopping street.



BS

STORES IN THE GREAT DOWNTOWNS OF AMERICA

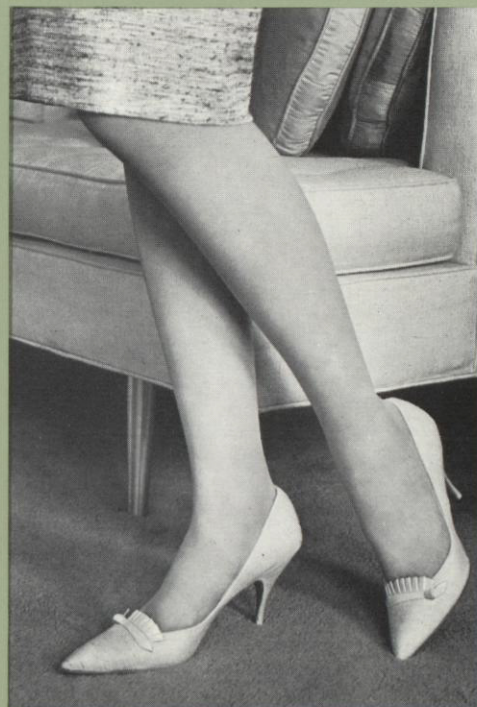
While the expanding suburbs and the newly created large shopping centers continue to provide the majority of expansion plans, efforts are made to maintain downtown stores competitive with suburban developments. During 1960 eleven downtown stores underwent major remodeling, five were moved to new locations under adjusted and more favorable rental terms. Four major stores were opened in downtown locations and new leases signed for others on a new rental basis. Though no longer producing their former share of the total market, downtown stores continue to produce substantial sales volume.



**75 CHANDLER'S STORES
OFFER
FRENCH ROOM ORIGINALS**

The distinguished quality and fashion of Chandler's exclusive French Room Originals explain their appeal to a broad income strata of shoppers, many of whom might otherwise purchase footwear in a much higher price range. The dress shoe styles are mostly priced at \$9.98 and \$12.98, casuals \$5.99 to \$8.99. The French Room brand name today enjoys an enviable reputation among the style conscious women of America.

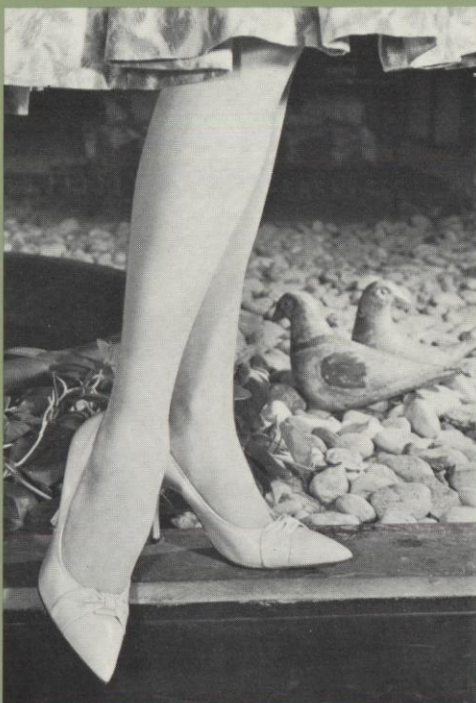
CHANDLER'S



**266 BAKER'S AND
LEED'S STORES
OFFER QUALICRAFT SHOES**

Now the largest selling brand of ladies' shoes in America, QualiCraft has earned its position by consistently bringing to the great mass market the very latest in fashion along with quality of shoemaking and materials that are most unusual in this price range. Dress shoes are mostly \$7.99, with some styles offered at \$6.99. Casuals are priced at \$3.99 and \$4.99.

*Baker's
Leed's*



53 BURT'S STORES OFFER STYLEPRIDE SHOES

The growing Burt's division features its exclusive brand of Stylepride shoes which represent a value achievement in the lowest price range in which EBS does business. They offer dependable quality plus quick presentation of currently popular high fashion in the action price range of \$5.99 and \$6.99 for dress shoes, \$2.99 and \$3.99 for most casual styles.

Burt's



ALL EBS STORES OFFER FASHION-COORDINATED ACCESSORIES

Handbags, hosiery and accessory items are featured in all of our stores and account for approximately 20% of the Company's total dollar volume. Attractive departments in each store offer an extensive line of hosiery in a great variety of colors. A diversified general line of fashionable handbags includes styles specially coordinated in color and material with the latest shoe fashions.

BS

EBS IS PROUD OF ITS MERCHANDISE RESOURCES

It is a source of great satisfaction to your Company that its long association with its many manufacturers has been mutually profitable to both. A number of great factories sell their entire output exclusively to EBS with complete coordination in design and production. Many other factories sell EBS a major percentage of their output. This list continues to grow as EBS expansion creates demand for greater pairage volume.

BS

PEOPLE

The vitality of EBS lies in the strength of its people. Almost all merchandise and sales executives of our management team began as salesmen in our stores. With varied backgrounds from every corner of America they have joined together to move through common experiences and absorb a common team spirit and motivation. At each level of management there is depth of knowledge and flexibility to encourage individual initiative.

The officers of the company meet as an advisory board and handle a large number of varied subjects on a day-to-day basis. Regional managers' meetings for the promotion of sales and operating policies at the store level are held regularly.

The company has long maintained a "promotion from within" policy. All store managers, assistant managers, regional managers and nearly all home office executives began with EBS as salesmen. This has led to a well integrated, healthy and expanding organization.

Emphasis has been given to seeking out individuals of special quality through a "Talent Scout" recruiting program. Selectivity in the screening of applicants is stressed with the realization that from these grass root sources may emerge our future executives. Specific formal training programs accelerate the development of new people.

The maintenance of pride in individual accomplishment as well as in the company as a whole is an integral part of the EBS personnel policy.



MANAGEMENT TEAMS YOUNG IN YEARS, OLD IN EXPERIENCE

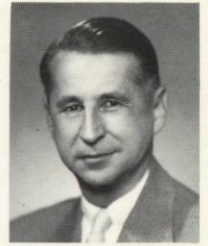
Directors and officers have long-standing experience within our company in their respective fields of operation. The 29 officers have an average of 28 years of service with the company. Officerships and directorships have been expanded, consistent with the growth of the company. This promotion policy has been a great incentive for young and old alike. It has been one of the principal reasons for the high morale within our organization, a characteristic of EBS generally recognized throughout the industry.



Harry Edison



Irving Edison



Simon Edison



Samuel B. Edison



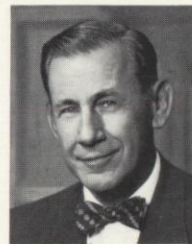
Irving Halle



Louis Liebson



Roy W. Oscarson



Alfred T. Leimbach



Charles B. Edison



Bernard Edison



Geo. Frankenthaler



Additional Officers of the Corporation

DIRECTORS

Harry Edison

Chairman and Treasurer

Irving Edison

President

Simon Edison

Vice Chairman and Exec. Vice Pres.

Samuel B. Edison

Executive Vice President

Irving Halle

Executive Vice President

Louis Liebson

Executive Vice President

Roy W. Oscarson

Executive Vice President

Alfred T. Leimbach

Vice President

Charles B. Edison

Vice President

Bernard Edison

Vice President

George Frankenthaler

General Counsel



EDISON BROTHERS STORES INC.

Founded in 1922 by Harry Edison, Samuel B. Edison, Mark A. Edison, Irving Edison, Simon Edison
(deceased)

ADDITIONAL OFFICERS

Vice Presidents

David Alton

Joseph M. Arenson

Maurice Artstein

Theodore L. Casey

Wallace R. Clark

Samuel L. Demoff

Keith Kepley

Sidney A. Levinson

Morgan I. Pitcher

William E. Polley

Frank P. Ricca

Jack Westbrook

Assistant Vice Presidents

Arthur J. Elias

Joseph Fingerhut

Robert J. Harper

Bernard L. Lebowitz

B. T. Oglesby

Francis Wetta

Henry Winer

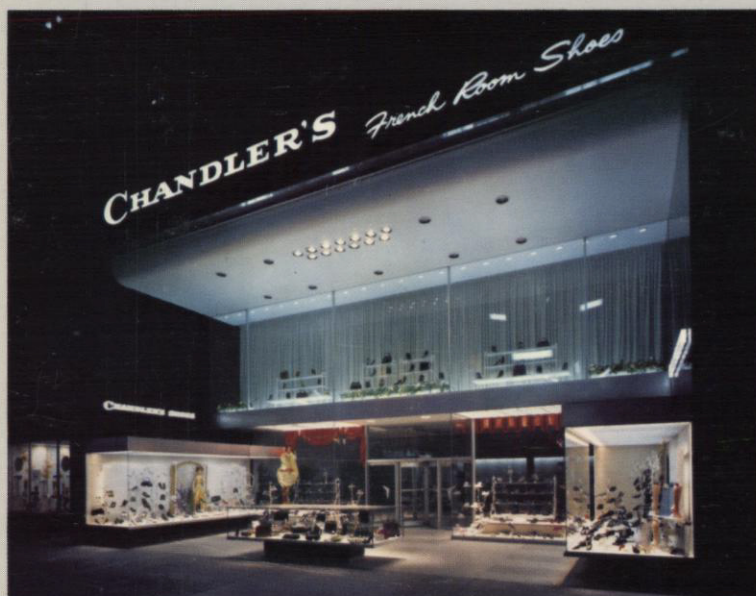
Secretary and Assistant Vice President

Eric P. Newman

EDISON BROTHERS STORES INC., 400 WASHINGTON AVE. ST. LOUIS 2, MO.

OPERATING

CHANDLER'S



BAKER'S

LEED'S

THE NEW CHANDLER'S STATE STREET, CHICAGO

AND BURT'S

SHOE STORES